

90th CONGRESS
2nd Session

H. R. 19650

IN THE HOUSE OF REPRESENTATIVES

Mr. HALPERN, -----

introduced the following bill; which was read twice and referred to the
Committee on Government Operations.

A BILL

To establish a Department of Peace, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United
States of America in Congress assembled,

TITLE I - DEPARTMENT OF PEACE

Sec. 1. This Act may be cited as the "Department of Peace Act. "

DECLARATION OF PURPOSE

Sec. 2. The function and purpose of the Department shall be to promote
the cause and advancement of peace both in this Nation and throughout the
world. Toward that noble objective, the Secretary of Peace shall, among his
responsibilities: (1) advise the President with respect to the progress of
peace; (2) develop and recommend to the President appropriate policies and
programs designed to foster the development of peace; (3) exercise leadership
at the direction of the President in the coordination of all Federal activities
affecting the principle of peace; (4) provide information and such other
assistance as may be authorized by the Congress to assist in the establishment
of those institutions which may further among the people an understanding of
the true meaning of peace and (5) encourage planning by the Nation with a view
toward coordinating the activities of peace among all Nations

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Sec. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Peace. There shall be at the head of the Department a Secretary of Peace who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) There shall be in the Department an Under Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary (or, during the absence or disability of the Under Secretary, an Assistant Secretary or the General Counsel, determined according to such order as the Secretary shall prescribe) shall act for, and exercise the powers of the Secretary, during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary. The Under Secretary shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(c) There shall be in the Department four Assistant Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(d) There is hereby established within the Department, in accordance with titles II and III of this Act, an International Peace Institute and a Peace by Investment Corporation.

TRANSFER TO DEPARTMENT

Sec. 4. (a) There are hereby transferred to the Secretary (1) all functions as of the following agencies (and components thereof), and (2) all functions of the Secretary of State which were carried out immediately before the effective date of this Act by such agencies (or components thereof):

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(A) The Agency for International Development

(B) The Peace Corps

(C) The Arms Control and Disarmament Agency

(b) There are hereby transferred to the Secretary (1) all functions of the International Agricultural Development Service, Department of Agriculture (and components of such service), and (2) all functions of the Secretary of Agriculture which were carried out immediately before the effective date of this Act by such Service (or components thereof).

(c) There are hereby transferred to the Secretary (1) the functions of the Bureau of International Commerce, Department of Commerce (and components of such Bureau), insofar as they pertain to participating in and developing United States policy with respect to the General Agreement on Tariffs and Trade (GATT), and (2) all functions of the Secretary of Commerce which were carried out immediately before the effective date of this Act by such Bureau (or components thereof), insofar as they pertain to participating in and developing such policy.

(d) Within one hundred and eighty days of the effective date of this Act the President may transfer to the Secretary any function not transferred to the Secretary by the preceding subsection of this section, if the Director of the Bureau of the Budget determines such function relates primarily to functions transferred to the Secretary by the preceding subsections of this section.

ADMINISTRATIVE PROVISIONS

Sec. 5. (a) In addition to the authority contained in any other Act which is transferred to the Secretary, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out his functions and to prescribe their authority and duties.

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(b) The Secretary may obtain services as authorized by section 3109 of title 5, United States Code, but at rates not to exceed \$100 per diem for individuals unless otherwise specified in an appropriation Act.

(c) The Secretary may, in addition to the authority to delegate and redelegate contained in any other Act in the exercise of the functions transferred to the Secretary in this Act, delegate any of his functions to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions.

(d) So much of the positions, personnel, assets, liabilities, contracts, property, records, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions transferred by section 4 of this Act as the Director of the Bureau of the Budget shall determine shall be transferred to the Secretary. Except as provided in subsection (f), personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(e) The transfer of personnel pursuant to subsection (d) of this section shall be without reduction in classification or compensation for one year after such transfer.

(f) In any case where all of the functions of any office or agency are transferred pursuant to this Act, such office or agency shall lapse.

(g) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of .

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economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are hereby authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such fund shall be reimbursed in advance from available funds of agencies and offices in the Department, or from other sources, for supplies and services at rates which will approximate the expense of operations, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund.

(h) The Secretary may approve a seal of office for the Department, and judicial notice shall be taken of such seal.

(i) In addition to the authority contained in any other Act which is transferred to and vested in the Secretary, as necessary, and when otherwise available, the Secretary is authorized to provide for, construct, or maintain the following for employees and their dependents stationed at remote localities:

- (1) Emergency medical services and supplies;
- (2) Food and other subsistence supplies;

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(3) Messing facilities;

(4) Motion picture equipment and film for
recreation and training; and

(5) Living and working quarters and facilities.

The furnishing of medical treatment under paragraph (1) and the furnishing of services and supplies under paragraphs (2) and (3) of this subsection shall be at prices reflecting reasonable value as determined by the Secretary, and the proceeds therefrom shall be credited to the appropriation from which the expenditure was made.

(j) (1) The Secretary is authorized to accept, hold, administer, and utilize gifts and bequests of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Secretary.

(k) The Secretary is authorized to appoint, without regard to the civil service laws, such advisory committees as may be appropriate for the purpose of consultation with and advice to the Department in performance of its functions. Members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Secretary, may be paid compensation at rates not exceeding those

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authorized for individuals under subsection (b) of this section and while so serving away from their homes or regular places of business may be allowed travel expenses including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(1) (1) The Secretary is authorized to enter into contracts with educational institutions public or private agencies or organizations or individuals for the conduct of research into any aspect of the problems related to the programs of the Department which are authorized by statute.

(2) The Secretary may from time to time disseminate in the form of reports or publications to public or private agencies or organizations or individuals such information as he deems pertinent on the research carried out pursuant to this subsection.

(3) Nothing contained in this subsection is intended to amend, modify or repeal any provisions of law administered by the Department which authorized the making of contracts for research.

AMENDMENTS TO OTHER LAWS

Sec. 6. (a) Section 19(d) (1) of title 3, United States Code, is hereby amended by inserting before the period at the end thereof the following: ",Secretary of Peace."

(b) Section 101 of title 5 of the United States Code is amended by inserting below the last paragraph the following:

"The Department of Peace."

(c) Subchapter II (relating to executive schedule pay rates) of chapter 53 of title 5 of the United States Code is amended as follows:

(1) Section 5312 is amended by adding below paragraph (12) the following

"(13) Secretary of Peace.

(2) Section 5314 is amended by adding below paragraph (52) the following:

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(53) Under Secretary of Peace

(3) Section 5315 is amended by adding after paragraph (89) the following:

(90) General Counsel, Department of Peace.

(91) Assistant Secretaries of Peace (4).

(4) Section 5317 is amended by striking out thirty-four and inserting in lieu thereof thirty-six.

ANNUAL REPORT

Sec. 7. The Secretary shall as soon as practicable after the end of each fiscal year make a report in writing to the President for submission to the Congress on the activities of the Department during the preceding fiscal year.

SAVINGS PROVISIONS

Sec. 8. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges --

(1) which have been issued, made, granted, or allowed to become effective in the exercise of duties, powers, or functions which are transferred under this title, by (A) any department or agency, any functions of which are transferred by this title, or (B) any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superceded, set aside, or repealed by the Secretary, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not effect any proceedings pending at the time this section takes effect before any department or agency (or component thereof), functions of which are transferred by this title, but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department. Such proceedings, to the extent they do not relate

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to functions so transferred, shall be continued before the department or agency before which they were pending at the time of such transfer. In either case orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary, by a court of competent jurisdiction, or by operation of law.

(c) (1) Except as provided in paragraph (2)-

(A) the provisions of this title shall not affect suits commenced prior to the date this section takes effect, and

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted.

No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of any department or agency, functions of which are transferred by this title, shall abate by reason of the enactment of this title. No cause of action by or against any department or agency functions of which are transferred by this title, or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, actions, or other proceedings may be asserted by or against the United States or such official of the Department as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date on which this title takes effect, any department or agency, or officer thereof in his official capacity, is a party to a suit, and under this title -

(A) such department or agency is transferred to the Secretary, or

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(c) any function of such department, agency, or officer is transferred to the Secretary,

then such suit shall be continued by the Secretary (except in the case of a suit not involving functions transferred to the Secretary, in which case the suit shall be continued by the department, agency, or officer which was a party to the suit prior to the effective date of this Act).

(d) With respect to any function, power, or duty transferred by this title and exercised after the effective date of this title, reference in any other Federal law to any department or agency, officer or office so transferred or functions of which are so transferred shall be deemed to mean the officer or agency in which title vests such function after such transfer.

(e) Orders and actions of the Secretary in the exercise of functions transferred under this title shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the department or agency exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this title shall apply to the exercise of such function by the Secretary.

(f) In the exercise of the functions transferred under this title, the Secretary shall have the same authority as that vested in the department or agency exercising such functions immediately preceding their transfer, and his actions in exercising such functions shall have the same force and effect as when exercised by such department or agency.

CODIFICATION

Sec. 9. The Secretary is directed to submit to the Congress within two years from the effective date of this Act, a proposed codification of all laws which contain functions transferred to the Secretary by this Act.

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Sec. 10. For purposes of this Act:

- (1) The term "Department" means Department of Peace.
- (2) The term "Secretary" means Secretary of Peace.
- (3) The term "function" includes power and duty.

EFFECTIVE DATE: INITIAL APPOINTMENT OF OFFICERS

SEC. 11. (a) This Act shall take effect ninety days after the enactment of this Act, or on such prior date after enactment of this Act as the President shall prescribe and publish in the Federal Register.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act, at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office, at the rates provided for in this Act. Such compensation and related expenses of their offices shall be paid from funds available for the functions to be transferred to the Department pursuant to this Act.

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TITLE II- INTERNATIONAL PEACE INSTITUTE

Establishment of International Peace Institute

Sec. 101. The Secretary is authorized and directed to establish within the Department a United States institute to furnish training and instruction to prepare citizens of the United States for service in positions or programs relating to the field of promoting international understanding and peace. Such institute shall be known as the International Peace Institute (hereafter in this title referred to as the Institute).

OFFICERS, STAFF, AND INSTRUCTORS

Sec. 102. (a) The Secretary may appoint or assign, on a full- or part-time basis, such officers, staff, and instructors as the needs of the Institute require.

(b) The Secretary may assign or detail, on a full- or part-time basis and with the consent of the head of the Government department or agency concerned, any officer or employee of the Government to serve on the faculty or staff of the Institute. During the period of his assignment or detail, such officer or employee shall be considered as remaining in the position from which assigned or detailed.

SUPERVISION OF INSTITUTE

Sec. 103. The supervision and charge of the Institute shall be under such officer or officers as the Secretary may appoint for or assign to that duty, and under such regulations as the Secretary may prescribe.

BOARD OF TRUSTEES

Sec. 104. (a) In the operation of the Institute the Secretary shall work in conjunction with a Board of Trustees, which shall consist of twelve members, as follows-

(1) the Secretary and, two officers of the Department designated by him

(2) two Members of the United States Senate, of different political parties, appointed by the President of the Senate

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(3) two Members of the House of Representatives, of different political parties, appointed by the Speaker of the House of Representatives;

(4) one member from the Atomic Energy Commission, who shall be the Chairman or his designee;

(5) one member from the Federal Council on the Arts and the Humanities, who shall be the Chairman or his designee;

(6) one member from the National Academy of Sciences, to be appointed by the President after consultation with the President of the Academy; and

(7) two educators of prominence appointed by the President.

(b) Members of the Board of Trustees shall be appointed for two-year terms and shall be eligible for reappointment.

(c) The Board shall visit the Institute annually. With the approval of the Secretary, the Board or its members may make other visits to the Institute in connection with the duties of the Board.

(d) The Board shall inquire into the morale and discipline, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Institute that the Board decides to consider.

(e) Within sixty days after its annual visit, the Board shall submit a written report to the President of its action, and of its views and recommendations pertaining to the Institute. Any report of a visit, other than the annual visit, shall, if approved by a majority of the members of the Board, be submitted to the President within sixty days after the approval.

(f) While performing his duties, each member of the Board shall be reimbursed under Government travel regulations for his travel expenses.

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ADMISSION OF STUDENTS

Sec. 105. (a) The authorized number of students at the Institute shall be one hundred and fifty.

(b) The Institute shall operate as a coeducational institution and students shall be selected for admission to the Institute on the basis of merit, as determined by a competitive examination to be given annually in each State, the District of Columbia, and the Commonwealth of Puerto Rico, at such time, in such manner, and covering such subject matter as the Secretary may prescribe.

(c) No individual shall be eligible for admission to the Institute unless he is a citizen of the United States who has been awarded a bachelor's degree upon graduation from a college or university located in the United States or a degree which the Secretary determines is generally recognized as the equivalent of a bachelor's degree upon graduation from a college or university located in a foreign country.

STIPENDS AND TRAVEL AND TRANSPORTATION

ALLOWANCES

Sec. 106. Each student of the Institute shall be entitled to receive--

(1) a stipend in an amount determined by the Secretary to be within the range of stipends or fellowships payable under other Government programs providing for the education or training of graduate students; and

(2) reasonable travel and transportation allowances, including transportation for his immediate family,

household goods, and personal effects, under regulations prescribed by the Secretary, but such allowances shall not exceed the allowances payable under section 5723 of title 5 of the United States Code.

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COURSE OF INSTRUCTION AND TRAINING

Sec. 107. (a) The course of instruction and training for students at the Institute shall be prescribed by the Secretary, shall be for a period of one year, and shall, insofar as consistent with the purposes of this Act, be graduate level work acceptable for credit toward a graduate degree at accredited colleges and universities. In prescribing such course of instruction and training the Secretary shall provide that special emphasis be placed on such studies as will best prepare students for leadership in the non-violent resolution of international conflicts and in the promotion of international understanding and peace. Upon satisfactory completion of the prescribed course of instruction and training, students shall be awarded a Federal certificate of participation.

(b) The course of instruction and training at the Institute shall, during each year of its operation, be organized as prescribed by the Secretary, except that one month of each such year shall be devoted to annual leave for all students.

AGREEMENTS BY STUDENTS

Sec. 108. Each student selected for admission to the Institute shall sign an agreement that, unless sooner separated, he will --

(1) complete the course of instruction at the Institute; and

(2) accept, if offered, an appointment and service, as an officer or employee of the United States or, in the discretion of the Secretary, employment with an international organization or private agency or foundation determined by the Secretary to be engaged in activities relating to the promoting or achieving of international understanding and peace, in any position for which such student is qualified by reason of his special training at the Institute, for at least the one-year period immediately following the awarding of his certificate from the Institute or the

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completion by him of any period of full-time graduate study approved by the Secretary.

AUTHORIZATIONS: ACQUISITION OF PROPERTY

Sec. 109. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) The Institute shall have power to acquire and hold real and personal property and may receive and accept gifts, donations, and trusts.

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TITLE III --- PEACE BY INVESTMENT CORPORATION

GENERAL PURPOSES

Sec. 201. The recent establishment of the "Peace Corps" reflects growing realization that governments and diplomatic relations alone cannot bring enduring peace, without the consolidation and expansion of people-to-people relationships. Economic relationships are fundamental to human relationships, and private economic endeavors are inseparable from systems of human freedom. This measure is designed to establish and expand people-to-people relationships in the economic field; to encourage an expanded flow of private capital investment from the United States into economically sound enterprises in underdeveloped areas of the world in the interest of world peace through mutual economic progress; to enlarge the number of private investors participating in this flow of capital so as to forge more direct links among the peoples of the world; to reduce gradually thereby the need for United States public investment and grants overseas; to help redirect the total flow of capital from the United States so that increasing portions of this total flow go to the underdeveloped areas, and thus be in better harmony with the domestic economic needs of the United States and the effective management of its international balance-of-payments problems.

PEACE BY INVESTMENT CORPORATION: BASIC FUNCTIONS

Sec. 202. There is hereby established a Peace by Investment Corporation (hereafter in this title referred to as the "Corporation") with the following basic functions in accord with the purposes of this title:

(1) As an equity investment agency, the Corporation may purchase the securities and obligations of, or make loans to (A) any underdeveloped country or political subdivisions thereof, (B) any public agency or instrumentality of any such country, or (C) any private or semiprivate firm, corporation, or association doing or intending to do business wholly or mainly in any such country or

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countries. Any such purchase or loan shall be for the purpose of financing or assisting in financing any undertaking of a profit making nature to expand such industrial, mining, construction, or agricultural activity in such country or countries as will, in the judgment of the Corporation, further the purposes of this title, and any such undertaking should place particular emphasis upon the encouragement of small- and moderate-sized enterprises and upon achieving widely diversified endeavors.

(2) The Corporation shall make available such technical assistance as in its judgment will facilitate the purposes of this title, and will not be duplicative of adequate technical assistance which is available from sources other than the Corporation.

BASIC CRITERIA FOR INVESTMENT PROGRAM

Sec. 203. In carrying forward the investment program pursuant to paragraph (1) of section 202 of this title, the Corporation shall be guided by the following basic criteria, and shall make appropriate findings accordingly:

(1) Each specific investment is in furtherance of an undertaking which is economically sound, actually or potentially profitable, and consistent with the sound long-range economic development of the country in which it is located.

(2) The country in which the undertaking is located has had full information with respect to it and an opportunity to express a judgment as to its desirability.

(3) Because of the insufficient availability of venture capital from other sources, the investment is not in competition with, or duplicative of, other private investment programs or other public programs of the United States, or of international agencies, which give reasonable promise of accomplishing comparable results in accord with the purposes of this title.

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(4) Each investment, taking into account the country in which it is located, is in accord with the general international economic and political policies of the United States.

(5) The investment program in general is consistent with the short-range and long-range policy of the United States to maintain maximum employment, production, and purchasing power within the domestic economy.

(6) The investment program in general is consistent with the short-range and long-range need of the United States to maintain a satisfactory balance-of-payments position.

(7) The investment program in general, and in its specific applications, is mutually beneficial to the country to which the investment flows and the country from which it emanates, taking into account not only purely economic considerations but also consideration of human improvement under free institutions.

BASIC FINANCING OF PEACE BY INVESTMENT CORPORATION

Sec. 204. (a) The Corporation shall have a capital stock consisting in part of fifty shares of Class A stock having a par value of \$1,000,000 per share. Such stock shall be the only stock of the Corporation having voting power, as long as any of it is outstanding, and it shall be subscribed to by the United States Government. The Secretary of the Treasury shall use the proceeds from the sale of any securities issued under the Second Liberty Bond Act for the purpose of such subscription, and the purposes for which securities may be issued under such Act are extended to include such subscription. Payment to the Corporation for the subscription of the United States to such stock, and repayments thereof, shall be treated as public debt transactions of the United States. Certificates evidencing stock ownership by the United States shall be issued by the Corporation to the President of the United States, or to such other person or persons as he may designate, from time to time.

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The provisions of the Securities Act of 1933, and the Securities Exchange Act of 1934, shall not apply to the Corporation, or to the original issue of its securities, while any Class A stock is outstanding.

(b) The Corporation is authorized to issue for public sale "Peace by Investment Debentures" which shall be in denominations of \$5, or any multiple thereof, and shall have such maturities (not in excess of twenty years) and bear interest at such rates as may be determined by the Corporation with the approval of the Secretary of the Treasury. Such debentures shall be fully and unconditionally guaranteed as to principal by the United States. For as long as the Corporation remains an agency of the United States, the aggregate amount of debentures issued under this subsection in any one year shall not exceed \$375,000,000, and the total amount of such debentures which are outstanding at any time shall not exceed \$1,250,000,000. The Corporation, with the approval of the Secretary of the Treasury, shall by regulation fix the maximum amounts of such debentures which may be held at any time by any individual, corporation, firm, trust, association, or other entity, respectively.

(c) The Corporation is authorized, at the option of the holder of any debenture issued under subsection (b), to exchange such debenture for class B stock which the Corporation may issue in such form, and subject to such terms and conditions, as it may prescribe, subject to the approval of the Secretary of the Treasury for as long as the Corporation remains an agency of the United States.

(d) The Corporation is authorized to issue from time to time, for purchase by the Secretary of the Treasury, its notes or other obligations: Provided, That the aggregate amount of obligations so issued shall not exceed \$60,000,000 in any one year, and the aggregate amount of such obligations outstanding at any one time shall not exceed \$300,000,000. No such obligation shall be issued more than

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six years from the date of the first issue, or after the Corporation ceases to be an agency of the United States. Such obligations shall have such varied maturities (not in excess of twenty years) as may be determined by the Corporation, with the approval of the Secretary of the Treasury, with periodic retirement of each obligation commencing in the first year subsequent to its original issue: Provided, That any such obligation may be retired at the option of the Corporation before maturity in such manner as may be stipulated therein. Each obligation purchased by the Secretary of the Treasury hereunder shall, as long as the Corporation remains an agency of the United States, bear interest at a rate determined by the Corporation on the basis of the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such obligations; except that when the Corporation ceases to be an agency of the United States each such obligation shall bear interest at the rate of 4 per centum per annum. The Secretary of the Treasury is authorized for the purpose of this subsection to use as a public-debt transaction the proceeds of any securities issued after July 31, 1945, under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payments for such obligations by the Treasury, and repayment thereof by the Corporation, shall be treated as public-debt transactions of the United States.

(e) One-fifth of the proceeds of the sale of the debentures issued under subsection (b) of this section shall be set aside by the Corporation in a special fund to be established by the Corporation. Such fund shall be utilized (1) to retire fully, within a period of six years or less from the initial issuance of such debentures, the Class A stock of the Corporation issued under subsection (a) of this section, and (2) to retire fully the obligations issued under subsection (d) of this section in accordance with the terms of

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retirement contained in such obligations. Moneys in such ~~fund~~ shall be invested or reinvested by the Corporation in interest-bearing obligations of the United States or in obligations guaranteed as to interest and principal by the United States: Provided, That when the Class A stock of the Corporation and the obligations issued under subsection (d) of this section have been retired in full, any balance remaining in the special fund shall be merged with other funds of the Corporation obtained through the sale of debentures pursuant to subsection (b), and their exchange for Class B stock pursuant to subsection (c), and shall thereupon be available for the general purposes of this title.

(f) Except as otherwise provided in this section, all funds available to the Corporation pursuant to this section, and receipts from its operations, shall be available to the Corporation for its general purposes under this title.

INITIAL MANAGEMENT OF PEACE BY INVESTMENT CORPORATION

Sec. 205. (a) Until the conditions set forth in section 206 of this title are fully met, the Corporation shall be an agency of the United States within the Department of Peace.

(b) The management of the Corporation during its existence as an agency of the United States shall consist of a Board of Directors (hereafter in this title referred to as the "Board"), composed of (1) five members appointed from private life by the President, with the advice and consent of the Senate, who shall collectively possess broad experience in various areas of economic endeavor; (2) the Secretary, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Labor, to serve ex officio; (3) four members to be appointed by the President from various United States agencies concerned with international economic development; and (4) a President and Executive Vice President of the Corporation, as set forth below, who may be appointed from private life or from public

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service. All members, except those serving ex officio, shall serve at the pleasure of the President.

(c) The Board shall elect a Chairman from among its members. Any vacancy in the Board shall not effect its powers, but shall be filled in the same manner as the original appointment. A majority of the Directors shall constitute a quorum, and action shall be taken only by a majority vote of those present.

(d) The Board shall designate an executive committee of seven members, not more than two of whom (exclusive of the President and Executive Vice President of the Corporation) shall be members appointed from private life. The executive committee shall perform the functions and exercise the powers of the Board at such times and to such extent as shall be provided in the bylaws of the Corporation.

(e) Members of the Board appointed from private life shall receive \$100 per diem when engaged in the actual performance of their duties, plus reimbursement for necessary travel, subsistence, and other expenses incurred by them in the performance of such duties.

(f) There shall be a President of the Corporation, to be appointed by the President by and with the advice and consent of the Senate, who shall receive a salary at the rate of \$___ per annum, and who shall serve as chief executive officer of the Corporation, as a member of the executive committee, and as a member of the Board. The President of the Corporation shall, in accordance with the bylaws, appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their duties, and fix their compensation.

(g) There shall be an Executive Vice President of the Corporation, to be appointed by the President, by and with the advice and consent of the Senate, who shall receive a salary at the rate of \$___ per annum. The Executive Vice President shall serve as President of the Corporation during the absence or disability of the

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(h) No director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any government, corporation, partnership, or association in which he is directly or indirectly personally interested.

(i) The President may also appoint an advisory committee to the Board, composed of individuals drawn from private and public life outside the United States, who need not be citizens or residents of the United States.

TRANSFER OF PEACE BY INVESTMENT CORPORATION TO PRIVATE
OWNERSHIP AND MANAGEMENT

Sec. 206. (a) When the Class A stock of the Corporation has been retired in full, within a period of six years or less, as provided in section 204 (e), in accordance with the objective of vesting as soon as feasible the management of the Corporation in private ownership, the Board shall transmit to the President of the United States, for submission to the Congress, recommendations for such legislation as may be necessary to provide for the orderly transition of the Corporation from an agency of the United States to a corporation under private ownership and management, including (1) appropriate provision for transfer to the owners of the outstanding Peace by Investment Debentures or Class B stock of the Corporation the assets and liabilities of the Corporation, (2) appropriate provision for vesting in such owners the exclusive voting power of the Corporation, with each owner being thereupon entitled to one vote per share, and (3) such additional provisions as may be necessary to protect any outstanding investments in the Corporation by the United States: Provided, That the President, in connection with such submission to the Congress, shall also provide recommendations as to whether a sufficient portion of the obligations purchased by the Secretary of

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the Treasury pursuant to section 204 (d) have been retired to justify the transfer of the Corporation from public to private ownership and management.

(b) In connection with the transfer referred to in subsection (a), a complete and final accounting shall be made by the Corporation and the Government, at which time the Government shall receive reasonable compensation for all Government services rendered to the Corporation.

GENERAL CORPORATE POWERS AND DUTIES

Sec. 207 (a) For the purpose of carrying out its functions under this title, the corporation shall have succession in its corporate name; may adopt and use a corporate seal, which shall be judicially noticed; may sue and be sued in its corporate name; may adopt, amend, and repeal by laws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised; may make and carry out such contracts and agreements as are necessary and advisable in the conduct of its business, and may purchase, discount, rediscount, sell, and negotiate (with or without its endorsement or guarantee) and guarantee notes, drafts, checks, bills of exchange, acceptances, including bankers' acceptances, cable transfers, and other evidences of indebtedness in carrying out its functions under this title; may appoint and fix the compensation of such officers and employees as may be necessary for the conduct of its business, without regard to the civil service or classification provisions of Title 5, United States Code, define their authority and duties, delegate to them such powers vested in the corporation as may be necessary, require bonds of such of them as may be desirable, and fix the penalties and pay the premiums of such bonds; may assign or sell at public or private sale, or otherwise dispose of for cash or credit, upon such terms and conditions as shall be determined reasonable, any evidence of debt, contract, claim,

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personal property, or security held by the Corporation in connection with the payment of loans or other obligations, and collect or compromise all obligations held by the Corporation; may set up or engage such subsidiary agencies in the United States or in underdeveloped countries as will facilitate the business of the Corporation and may enable such subsidiary agencies to sell debentures issued under section 204 (b), or to sell their own stock for the purpose of buying such debentures; may acquire by purchase, lease, or donations such real property or may interest therein, and may sell, lease, or otherwise dispose of such real property, as may be necessary for the conduct of its business; shall determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to the provisions of this title, and provisions of law specifically applicable to Government Corporations; may pay dividends on class B stock out of profits or other earnings, shall be entitled to the use of the United States mails in the same manner and upon the same conditions as may be applicable to the executive departments of the United States Government until such time as it ceases to be an agency of the United States; and shall be subject to Federal taxation from the time that it ceases to be an agency of the United States. The foregoing enumeration of powers shall not be deemed to exclude other lawful powers necessary to the purpose of the Corporation.

(b) Notwithstanding the provisions of section 955 of title 18, United States Code, any person, including any individual, partnership, corporation, or association, may upon proper authorization act for or participate with the Corporation in any operation or transaction engaged in by the Corporation.

(c) Section 201 of the Government Corporation Control Act, as amended (31 U.S.C. 856), is amended by striking therefrom the words "and (5) Federal Deposit Insurance Corporation" and adding at the end thereof the words "(5) Federal Deposit Insurance Corporation, and (6)

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(d) When the Corporation is transferred to private ownership and management as provided in section 206, it shall, in addition to the Corporation powers and duties set forth above in this section, be empowered to exercise inter alia the functions of an investment trust, to establish such insurance systems as may be deemed in furtherance of the purposes of this title, and to engage in other activities generally in line with those of Corporations engaged in such functions when operation under private ownership and management.

PENAL PROVISIONS

Sec. 208. (a) All general penal statutes relating to the larceny, embezzlement, or conversion of public moneys or property of the United States shall apply to the moneys and property of the Corporation.

(b) Any person who, with intent to defraud the Corporation, or to deceive any director, officer, or employee of the Corporation, or any officer or employee of the United States, makes any false entry in any book of the Corporation, or makes any false report or statement for the Corporation, shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both.

(c) Any person who shall receive any compensation, rebate or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both.

REPORTS AND STUDIES

Sec. 209. (a) the Corporation shall submit to the President, for transmission to the Congress at the beginning of each regular session, a complete and detailed annual report of its operations under this title.

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(b) The Corporation, immediately upon its establishment, shall commence studies of additional measures, including tax measures, which would further promote the flow of private capital from the United States to underdeveloped areas of the world consistent with the economic and financial policies of the United States. Such studies shall be amplified in the light of the experience of the Corporation. As soon as practical, and not later than three years after the establishment of the Corporation, it shall prepare for transmission to the Congress the initial results of such studies, including legislative recommendations.

TITLE IV. -- JOINT COMMITTEE ON PEACE

Sec 301. (a) There is hereby established a Joint Committee on Peace, to be composed of seven members of the Senate, to be appointed by the President of the Senate, and seven members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the Joint Committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and the House of Representatives.

(b) It shall be the function of the Joint Committee --

(1) to make a continuing study of matters relating to the Department of Peace;

(2) to study means of coordinating programs in order to further the policy of this Act; and

(3) as a guide to the several Committees of the Congress dealing with legislation relating to the Department of Peace, to file a report not later than May 1 of each year (beginning with the year 1970) with the Senate and the House of Representatives containing its findings and recommendations with respect to the Department of Peace, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable.

(c) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions

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of the Joint Committee, and shall be filled in the same manner as in the case of the original selection. The Joint Committee shall select a chairman and a vice chairman from among its members.

(d) The Joint Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings as it deems advisable, and, within the limitations of its appropriations, the Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians and clerical and stenographic assistants, to ~~procure~~ such printing and binding and to make such expenditures as it deems advisable. The Joint Committee is authorized to utilize the service, information, and facilities of the department and establishments of the Government, and also of private research agencies.

(e) There is hereby authorized to be appropriated for each fiscal year, the sum of \$200,000 or so much thereof as may be necessary, to carry out the provisions of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman.